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3 Pentagon Aides Warn of Failure to Protect Computer Networks

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WASHINGTON, June 27 - Three senior Defense Department officials warned Congress today that the failure of Government agencies and private institutions to protect their computerized communication networks represented a grave threat to the United States.

One of the officials, Donald C. Latham, the Assistant Secretary of Defense for command, control, comunications and intelligence, described the overall computer security program of the Rea-gan Administration. He said that because many major systems were inadequately protected, the United States was "being bled to death by people taking our technology."

But the chairman of the House Government Operations Committee and spokesmen for a Congressional investigative agency and the American Civil Liberties Union contended that the Reagan Administration's program to improve computer security conflicted tionally protected civil liberties and could limit the open dissemination of unclassified information essential to the continued economic growth of the United States.

The strongly contrasting views concerned an order, National Security Decision Directive 145, issued by President Reagan last September that gives the Defense Department a major role in improving computer security in both the military and civilian agencies of the Government and for other systems that process "unclassified but sensitive information that could adversely affect national security.

Issue Debated at Hearing

The forum for the debate between the three Pentagon officials and their critics was a hearing held by a House Science and Technology subcommittee headed by Representative Dan Glickman, Democrat of Kansas.

Mr. Glickman, in an opening statement, praised the President for creating a central "force in Government to

munication security." But he questioned whether Defense Department agencies such as the National Security Agency should play a dominant role in protecting information held by civil agencies such as the Veterans Administration and the information in the private sector generated by activities such as banking

The National Security Agency yesterday chose the American Telephone and Telegraph Corporation to supply it with up to \$946 million in minicomputers and services for a classified project that industry sources suggested might include encrypting and decoding Government communication data. Page D1.

In other testimony, Walter G. Deeley, deputy director for communications security in the National Security Agency, said if the United States wished to preserve its freedoms, "we must deny to those who harm us the inwith existing laws, threatened constitu- push for better computer and com- formation that enables them to do so.

A third warning came from Robert L. Brotzman, the director of the Pentazon's Defense Computer Security Center, who said the widespread lack of computer protection meant that Soviet agents, terrorists and people who simply had a grudge against society could "cause great harm with very little effort or expense.'

However, Representative Brooks, Democrat of Texas, who is chairman of the House Government Operations Committee, asserted that Mr. Reagan did not have the legal authority to issue his computer security directive, partly because it conflicted with several existing laws.

Allan R. Adler and Jerry J. Berman of the American Civil Liberties Union said the order giving the National Security Agency a leading role in computer security throughout United States was "unprededented and unwise" because a balanced consideration of values in addition to national security was "of paramount importance to our system of government.